



Executive Council August 23, 2022 Insurance Renewal

Agenda

- ❑ 2022 Health Plans
- ❑ Health Contracts/Covered Members
- ❑ Key Points for 2022 Renewal
- ❑ Trends
- ❑ Pharmacy
- ❑ Livongo
- ❑ 2022 Health Plan Premium Recommendations
- ❑ 2022 Recommended Dental Premiums
- ❑ 2022 Life and Long Term Disability Rates
- ❑ DAS Recommendation

2022 Health Plans

- ❑ Continue with one plan design with two options
 - ❑ Iowa Choice (HMO) – access to network of providers in Iowa and continued access in contiguous counties – 82% of the State's enrollment
 - ❑ National Choice (PPO)– access to network of providers nationwide – 18% of the State's enrollment
- ❑ With the PPO plan, the employee buys-up the difference between the PPO plan and the HMO plan
- ❑ Other health promoting, value-added services available through the plan
- ❑ Diabetes Prevention Program offered through Livongo
- ❑ Enrollment Period: September 27th - October 29th

Health Contracts/Covered Members

- Covered contracts as of 7/1/2021 were 20,798 (previous year 20,987 contracts)
 - Contracts are the State employees who hold the contract
- Covered members as of 7/1/2021 were 53,643 (previous year 53,986 members)
 - Members include the State employee contract holder plus dependents on the plan

*These numbers are an average over the last 12 months (ex. 7/1/2020 – 6/30/2021)

Key Points for 2022 Renewal

- Minimal Administrative fee changes were made for the 2022 renewal, as outlined in the RFP. The fee increased by 1.95% from the prior year.
- State saved \$30 million in Pharmacy costs for the period. \$6 million in Formulary Management, \$4.9 million in prior authorization, \$2 million on quantity limits, and \$17.3 million in rebates.
- The State experienced a decrease in the number of large claimants from the prior period (\$8.9 million decrease) and the average paid per large claimant decreased as well (\$10,615 per claimant decrease).
- Projected CY 2021 claims \$328.3 million (Projected CY 2020 \$349 million for a 5.94% decrease)

Positive Trends

- We have seen an increase in cancer preventative screening over the last year and wellness exams over the current period.
- Rise in mental health claims which means members are utilizing this care when it is needed
- Some pharmacy savings based on changes made to the Tier 4 formulary last year
- Decrease in high cost claimants

Pharmacy

- Still seeing increases in specialty drugs - \$1.8 million – drivers are increased utilization in medications related to cystic fibrosis and psoriasis
- Top 10 medications are related to diabetes, chronic inflammatory disease, cystic fibrosis, multiple sclerosis, and anticoagulant. Six of the top 10 are specialty medications
- Recommendation to join CVS Exclusive for mail order prescriptions.

Livongo – Diabetes Prevention

- Diabetes and hypertension are consistently in our top chronic conditions. 3 of our top 10 medications utilized are for diabetes.
- State of Iowa pre-diabetic prevalence is 13% for all members and 18% for those 18 and older (excluding retirees)
- Wellmark has contracted with Livongo to offer prediabetes prevention and diabetes management.

How Livongo Works

- Member takes a CDC pre-diabetes risk assessment. If they meet eligibility requirements they will enroll and begin the program
- Program is offered through an app and can be done based on the members schedule.
- Member will complete regular weigh ins and self guided lessons. Also the option to participate in coaching sessions with dietitians, RNs, and psychologists
- App syncs with popular trackers such as Fitbit, Apple, Samsung watches

ROI of Livongo

- 1.4x ROI over 3 years
- \$9,295 3 year cost savings per diabetes case avoided
- 48% reduced incidence of diabetes over 3 years
- Assumption is 10% of pre-diabetics on the plan will enroll (716 members)
- Annual fee for 716 members for year 1 would be \$549,888

2022 Health Plan Premium Recommendation

2022 Premiums					
	Total	Employee Share	%	Employer Share	%
Iowa Choice					
Single	\$769.00	\$54.00	7%	\$715.00	93%
Family	\$1804.00	\$180.00	10%	\$1624.00	90%
	Total	Employee Share	%	Employer Share	%
National Choice					
Single	\$845.00	\$130.00	15%	\$715.00	85%
Family	\$1966.00	\$342.00	17%	\$1624.00	83%

2022 Recommended Dental Premiums

2021						2022					
	Total	Employee		Employer		Total	Employee		Employer		
		Share	%	Share	%		Share	%	Share	%	
Single	\$31.00	\$0.00	0%	\$31.00	100%	\$34.00	\$0.00	0%	\$34.00	100%	
Family	\$83.00	\$41.50	50%	\$41.50	50%	\$88.00	\$44.00	50%	\$44.00	50%	

Life and Long Term Disability Rates

- There are no changes to the Life and LTD rates for 2022
- Life/LTD rates are guaranteed for the remainder of the contract (12/31/22)

DAS Recommendations for Executive Council

- Approve recommended premiums for health insurance for 2022
- Approve recommended premiums for dental insurance for 2022